

**STATEMENT OF PROCEEDINGS FOR THE
SPECIAL MEETING OF THE
CITY OF SAN FERNANDO OVERSIGHT BOARD**

**CITY OF SAN FERNANDO
CITY COUNCIL CHAMBERS
117 MACNEIL STREET
SAN FERNANDO, CALIFORNIA 91340**

Thursday, May 3, 2012

10:00 AM

Present: Judith Frank, Maria Chong-Castillo, Robert Moran, Megan Reilly,
Monte Perez, Edgar Arroyo and Federico Ramirez

I. CALL TO ORDER

Chair Judith N. Frank called the meeting to order at 10:13 a.m.

II. ROLL CALL

The Roll Call was taken by Ivonne Evelyn Umana, Oversight Member Staff.

III. ADMINISTRATIVE MATTERS

1. Approval of April 26, 2012 Minutes. (12-1907)

This item was approved with the an amendment that any reference to Mr. Al Hernandez include his title of City Administrator, City of San Fernando.

On motion by Member Reilly, seconded by Member Perez, the Minutes of April 25, 2012 were approved as amended to include Mr. Al Hernandez's title of City Administrator, City of San Fernando.

Ayes: 7 - Member Frank, Member Chong-Castillo, Member Moran, Member Reilly, Member Perez, Member Arroyo and Member Ramirez

IV. RECOMMENDATIONS

2. Recommendation: Review and approve the Recognized Obligation Payment Schedules (ROPS) for the period of January 1, 2011 - June 30, 2012. (Continued from the meetings of 4-26-12 and 5-3-12) (12-1811)

Madame Chair Frank made a suggestion to review the ROPS one item at a time and take a Roll Call for each item. Member Chong-Castillo concurred with the suggestion.

Also, on motion by Member Reilly, seconded by Member Perez, Members will approve some items today and deferred other items to the next meeting for additional documentation to ensure that it meets the provisions of ABX1 26 with the final approval of the ROPS on the May 10, 2012 Oversight Board Meeting.

Ayes: Member Chong-Castillo, Member Reilly, Member Moran, Madame Chair Frank, Member Perez, Member Ramirez, Member Arevalo

On motion by Member Chong-Castillo, seconded by Member Perez, Item No. 1 - 1998 Tax Allocation Bonds Series was approved by the following votes:

Ayes: Member Chong-Castillo, Member Reilly, Member Moran, Madame Chair Frank, Member Perez, Member Ramirez, Member Arevalo.

On motion by Member Perez, seconded by Member Reilly, Item No. 2 - 2006 Tax Allocation Bonds Series were approved by the following votes:

Ayes: Member Chong-Castillo, Member Reilly, Member Moran, Madame Chair Frank, Member Perez, Member Ramirez, Member Arevalo.

On motion by Member Chong-Castillo, seconded by Member Reilly, Item No. 3 - 1998 & 2006 Tax Allocation Bonds was approved by the following votes:

Ayes: Member Chong-Castillo, Member Reilly, Member Moran, Madame Chair Frank, Member Perez, Member Ramirez, Member Arevalo.

On motion by Member Reilly, seconded by Member Perez, Item No. 4 - Notes payable were deferred to May 10, 2012 for additional documentation by the following votes:

Ayes: Member Chong-Castillo, Member Reilly, Member Moran, Madame Chair Frank, Member Perez, Member Ramirez, Member Arevalo.

On motion by Member Reilly, seconded by Member Perez, Item No. 5 - Retirement override assessment was deferred to May 10, 2012 for additional documentation by the following votes:

Ayes: Member Chong- Castillo, Member Reilly, Member Moran,

Madame Chair Frank, Member Perez, Member Ramirez, Member Arevalo.

Mr. Al Hernandez, City Administrator of San Fernando, requested that Item Nos. 6 - 1422 San Fernando Road, and 7 - San Fernando Senior Housing Project be deferred to May 10, 2012, so the Counsel for the Successor Agency can be present and respond to many of the Oversight Board's inquiries.

On motion by Member Reilly, and by Common Consent, there being no objection, Item Nos. 6 and 7 were deferred to May 10, 2012.

On motion by Member Perez, seconded by Member Chong-Castillo, Item No. 8 - Loan payable to City's Sewer Fund was deferred to May 10, 2012 for additional documentation by the following votes:

Ayes: Member Chong- Castillo, Member Reilly, Member Moran, Madame Chair Frank, Member Perez, Member Ramirez, Member Arevalo.

On motion by Member Reilly, seconded by Member Moran, Item No. 9 - Notes payable deferred to May 10, 2012 for additional documentation by the following votes:

Ayes: Member Chong-Castillo, Member Reilly, Member Moran, Madame Chair Frank, Member Perez, Member Ramirez, Member Arevalo.

On motion by Member Ramirez, seconded by Member Reilly, Item No. 10 - Employee Costs was approved with the exception that the amount on the ROPS be capped at \$250,000.00 by the following votes:

Ayes: Member Chong-Castillo, Member Reilly, Member Moran, Madame Chair Frank, Member Perez, Member Ramirez, Member Arevalo.

On motion by Member Chong-Castillo, seconded by Member Reilly, Item No. 11 - SCO Transaction Report was removed from the ROPS by the following votes:

Ayes: Member Chong-Castillo, Member Reilly, Member Moran, Madame Chair Frank, Member Perez, Member Ramirez, Member Arevalo.

On motion by Member Chong-Castillo, seconded by Member Reilly, Item Nos. 12 - Annual Audit, 16 - General Legal Services, and 17 - Wilshire Ventures Attorney fees were removed from the ROPS by the following votes:

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Ayes: Member Chong- Castillo, Member Reilly, Member Moran, Madame Chair Frank, Member Ramirez, Member Arevalo.

Absent: Member Perez

On motion by Chong-Castillo, seconded by Member Reilly, Item Nos. 13 - Property Tax Analysis was deferred to May 10, 2012 for additional documentation by the following votes:

Ayes: Member Chong-Castillo, Member Reilly, Member Moran, Madame Chair Frank, Member Perez, Member Ramirez, Member Arevalo.

On motion by Member Reilly, seconded by Member Chong-Castillo, Item No. 14 - Legal Services with Richards, Watson & Gershon were deferred to May 10, 2012 for additional documentation by the following votes:

Ayes: Member Chong-Castillo, Member Reilly, Member Moran, Madame Chair Frank, Member Perez, Member Ramirez, Member Arevalo.

On motion by Member Reilly, seconded by Member Chong-Castillo, Item No. 15 - Legal Services with Richards, Watson & Gershon was deferred to May 10, 2012 for additional documentation by the following votes:

Ayes: Member Chong-Castillo, Member Reilly, Member Moran, Madame Chair Frank, Member Perez, Member Ramirez, Member Arevalo.

On motion by Member Chong-Castillo, seconded by Member Reilly, Item Nos. 18 - Overhead Cost Allocation and 19 - Overhead Cost Allocation with the City of San Fernando were disapproved by the following votes:

Ayes: Member Chong-Castillo, Member Reilly, Member Moran, Madame Chair Frank, Member Perez, Member Ramirez, Member Arevalo.

On motion by Member Reilly, seconded by Member Chong-Castillo, Item No. 20 - LAUSD Litigation was deferred to May 10, 2012 for additional documentation by the following votes:

Ayes: Member Chong-Castillo, Member Reilly, Member Moran, Madame Chair Frank, Member Perez, Member Ramirez, Member Arevalo.

On motion by Member Chong-Castillo, seconded by Member Ramirez, Item No. 21 - Project #1/89 Annex was approved by the following votes:

Ayes: Member Chong-Castillo, Member Reilly, Member Moran, Madame Chair Frank, Member Perez, Member Ramirez, Member Arevalo.

On motion by Member Chong-Castillo, seconded by Member Reilly, Item No. 22 - DDA with Haagen/Tiangus was removed from the ROPS by the following votes:

Ayes: Member Chong- Castillo, Member Reilly, Member Moran, Madame Chair Frank, Member Perez, Member Ramirez, Member Arevalo.

On motion by Member Chong-Castillo, seconded by Member Ramirez, Item No. 23 - SERAF Loan Payment was approved by the following votes:

Ayes: Member Chong- Castillo, Member Reilly, Member Moran, Madame Chair Frank, Member Perez, Member Ramirez, Member Arevalo.

Attachments: [ROPS Schedule for January 1, 2012 through June 30, 2012](#)

[Supporting Document](#)

- 3. Recommendation: Review and approve the Recognized Obligation Payment Schedules (ROPS) for the period of July 1, 2012 - December 31, 2012. (Continued from the meetings of 4-26-12 and 5-3-12) (12-1812)**

On motion by Member Ramirez, seconded by Member Reilly, ROPS Item Nos. 1, 2, 3, 21 and 23 which are similar to ROPS of January 1, 2012 through June 30, 2012 were approved by the following votes:

Ayes: Member Chong-Castillo, Member Reilly, Member Moran, Madame Chair Frank, Member Perez, Member Ramirez, Member Arevalo.

The meeting recessed at 12:37 p.m. The Meeting reconvened at 12:56 p.m.

The Chair requested a recap of the items considered for ROPS July 1, 2012 through December 31, 2012 which are similar to ROPS January 1, 2012 through June 30, 2012. Ivonne Umana, staff member provided an account of the following items that were still pending for consideration by the Oversight Board: Item Nos. 4, 5,6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 22. The Oversight Board took the following actions for the remaining ROPS:

On motion by Member Chong-Castillo, seconded by Member Reilly, Item No. 10 was approved with the exception that the cap be reflected at \$250,000.00 by the following votes:

Ayes: Member Chong-Castillo, Member Reilly, Member Moran, Madame Chair Frank, Member Perez, Member Ramirez, Member Arevalo.

On motion by Member Reilly, seconded by Member Perez, Item Nos. 18 and 19 were disapproved by the following votes:

Ayes: Member Chong-Castillo, Member Reilly, Member Moran, Madame Chair Frank, Member Perez, Member Ramirez, Member Arevalo.

On motion by Member Ramirez, seconded by Member Chong-Castillo, Item Nos. 4, 5, 6, 7, 8, 9, 11, 12, 13, 14, 15, 16, 17, 20, and 22 were continued to May 10, 2012 for additional documentation by the following votes:

Ayes: Member Chong-Castillo, Member Reilly, Member Moran, Madame Chair Frank, Member Perez, Member Ramirez, Member Arevalo.

Attachments: [ROPS Schedule for July 1, 2012 through December 31, 2012](#)

4. Recommendation: Review and approve the Successor Agency Administrative Budget. (12-1910)

On motion by Member Ramirez, seconded by Member Reilly, this item was continued to May 10, 2012.

Ayes: 7 - Member Frank, Member Chong-Castillo, Member Moran, Member Reilly, Member Perez, Member Arroyo and Member Ramirez

Attachments: [Successor Agency Proposed Administrative Budgets](#)

V. DISCUSSION ITEMS

5. Initiate process for retaining Legal Counsel services. (Continued from the meeting of 4-26-12 and 5-10-12) (12-1813)

The Chair opened the floor for discussion in retraining Legal Counsel services. During discussion it was determined that a need for retaining counsel is imperative. Several questions arose out of the discussion as to identifying the funding to pay for it? And would the money come out of the \$250,000.00?

The Oversight Board Members made the following suggestions:

Member Ramirez: Take the low budget approach, which is to go to County Counsel and ask for clarification on various concerns that the Oversight Board has and that an Oversight Member report back on that conversation.

Member Moran: Create a two to three member ad-hoc committee to begin research on defining the scope of work for retaining legal counsel, determine if there are candidates available, and inquire with the Successor Agency staff for support in retaining counsel.

Member Ramirez: If there are Oversight Boards that have performed the research and developed a scope of work to retaining Legal Counsel, this Board can follow their approach and adopt some of their findings.

Member Chong-Castillo: There are some generic legal issues across the board and maybe if a City hires an attorney who has addressed the common issues, maybe this Board can share the costs for that one attorney.

Member Ramirez: Requests the Chair to seek information from County Counsel or the consultants to determine the best approach to retain counsel for this year on the issues this Board has presented.

Madame Chair Frank requested that Member Moran take the lead and obtain answers on the following:

- **General question, in the ROPS, what are valid Administrative expenses?**
- **In regards to debts or bonds, would we attempt to direct the Successor Agency to consider refinancing some of those debts, would that be permitted under ABx1 26 or is it considered a new contract or obligation, therefore not valid?**
- **Enforceable contract: What it meant by redevelopment agency limits the two allowable types of exceptions when the prior city is the payee? Or a public finance authority?**

6. Report by the Successor Agency on the sufficiency of cash flow. (12-1908)

On motion by Madame Chair Frank, and by Common Consent, there being no objection, this item was continued to May 10, 2012.

Ayes: 7 - Member Frank, Member Chong-Castillo, Member Moran, Member Reilly, Member Perez, Member Arroyo and Member Ramirez

Attachments: [Successor Agency Cash Flow](#)

VI. MISCELLANEOUS

7. Matters not on the posted agenda (to be presented and placed on the agenda of a future meeting). (12-1912)

There were no matters presented for a future agenda.

8. Public Comment. (12-1913)

There were no public comments.

9. Adjournment. (12-1914)

The Board adjourned the meeting at 1:44 p.m. The next meeting of the Board will be Thursday, May 10, 2012 at 9:00 a.m.